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CHAPTER 22A

SEWAGE INFRASTRUCTURE IMPROVEMENT ACT GRANTS

SUBCHAPTER 7. INTERCONNECTION/CROSS-CONNECTION ABATEMENT ACCOUNT PROCEDURES AND REQUIREMENTS

7:22A-7.1 Applicability

This subchapter constitutes the rules of the Department governing the award of grants pursuant to the Act to any municipality with a stormwater sewer system discharging directly into the salt waters of Monmouth, Ocean, Atlantic and Cape May Counties (that is, an affected municipality as defined in N.J.A.C. 7:22A-1.4) for the planning or design of interconnection/cross-connection abatement facilities. These rules prescribe the procedures for the award of grants from the Interconnection/Cross-Connection Abatement Account.

7:22A-7.2 Interconnection/Cross-Connection Abatement Account

- (a) The moneys in the Interconnection/Cross-Connection Abatement Account are available for the planning or design of interconnection/cross-connection abatement facilities pursuant to the provisions of this subchapter.
- (b) Any affected municipality with an interconnection or cross-connection of stormwater sewer systems and sanitary sewer systems is eligible to receive grant moneys from the Interconnection/Cross-Connection Abatement Account. Applications from those affected municipalities whose submittal under N.J.A.C. 7:22A-4.3 does not identify any interconnection or cross-connection within the municipality shall not be deemed complete by the Department and shall not be processed further.
- (c) The consideration for a grant award from the Interconnection/Cross-Connection Abatement Account shall not be used as a defense by the applicant to any action by any agency for the affected municipality's failure to comply with the Act or to obtain and comply with all requisite permits, licenses and operating certificates.

7:22A-7.3 Terms of financial assistance from the Interconnection/Cross-Connection Abatement Account

- (a) The Department may offer grants from the Interconnection/Cross-Connection Abatement Account for up to 90 percent of the allowable costs for the planning or design of interconnection/cross-connection abatement facilities.
- (b) Moneys will be disbursed to recipients, upon request, as work progresses and expenses are incurred and approved by the Department unless otherwise restricted by N.J.A.C. 7:22A-7.11 or unless otherwise indicated in the grant agreement. Affected municipalities shall submit vouchers and other documentation as may be required by the

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Department in support of their request for disbursement of funds.

(c) The specific terms and conditions of the financial assistance shall be incorporated into the grant agreement to be executed by the recipient and the State.

7:22A-7.4 Initial planning grants

(a) Any affected municipality which has identified an interconnection/cross-connection under N.J.A.C. 7:22A-4 is eligible for an initial planning grant from the Interconnection/Cross-Connection Abatement Account. Initial planning grant award offers may be made by the Department upon the certification of an affected municipality's initial planning grant application.

(b) Initial planning grant applications may be submitted to the Department as of June 15, 1993, but not later than December 15, 1993, unless an extension is granted by the Department. Any affected municipality which requires an extension of the December 15, 1993 initial planning grant application deadline must submit their request for such an extension to the Department by December 15, 1993. The request must state the reasons why an extension should be approved and must identify a proposed date for the submittal of a complete initial planning grant application. Based on this information, the Department will determine whether to approve the extension and establish a revised initial planning grant application deadline.

(c) Initial planning grant award amounts will be as follows:

Number of stormwater outfalls in affected municipality	Initial grant amount
0-50	\$15,000
51-100	\$30,000
Greater than 100	\$50,000

In no case will the initial planning grant amount exceed 90 percent of the allowable planning costs.

7:22A-7.5 Project priority for second-round grants

(a) Any affected municipality which has identified an interconnection/cross-connection abatement under N.J.A.C. 7:22A-4 is also eligible for a second- round grant from the Interconnection/Cross-Connection Abatement Account. Second-round grant amounts will be based on the allowable planning or design costs, not to exceed 90 percent of the project costs.

(b) The Department may establish one or more application deadlines for second- round grants. For the first funding cycle, second-round planning grant applications must be submitted to the Department by December 15, 1993 unless an extension is granted by the Department. Second-round planning grant offers will not be made by the Department

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until all second-round planning grant applications or extension requests have been received and prioritized in accordance with (d) below. Any affected municipality which requires an extension of the December 15, 1993 second-round planning grant application deadline must submit a request for such an extension to the Department by December 15, 1993. The request must state the reasons why an extension should be approved, must identify a target date for the submittal of a complete second-round planning grant application, must include an estimated second-round planning grant amount and include sufficient information to prioritize the project in accordance with (d) below. In instances where a highly ranked project is granted an extension by the Department, the Department may reserve the estimated second-round planning grant amount identified in the affected municipality's extension request and award second-round planning grants to lower ranked projects to the extent sufficient funds are available.

(c) For future funding cycles, affected municipalities shall be notified of applicable second-round planning or design grant application deadlines through the Department's proposed Priority System, Intended Use Plan, and Project Priority List or through mailed notice by the Department.

(d) Second-round planning or design grant applications shall receive priority for financial assistance awards pursuant to this subchapter based on the following point system:

1. Applications which include one or more stormwater outfall discharges to an ocean beach or ocean beaches in municipalities that had ocean beach closures resulting from elevated bacteria levels (based on data from the Cooperative Coastal Monitoring Program administered by the Department) will be given five points for each day in which one or more ocean beaches within the municipality was closed from January 1, 1988, on. Where the Department has determined that an ocean beach closure occurred for causes other than a stormwater outfall discharge no points will be given for that ocean beach closure occurrence.

2. Applications which include one or more stormwater outfall discharges to an estuarine beach or estuarine beaches in municipalities that had estuarine beach closures resulting from elevated bacteria levels (based on data from the Cooperative Coastal Monitoring Program administered by the Department) will be given one point per year for each estuarine beach within the municipality which was closed from January 1, 1988, on. Where the Department has determined that an estuarine beach closure occurred for causes other than a stormwater outfall discharge, no points will be given for that estuarine beach closure occurrence.

3. Applications which include one or more stormwater outfall discharges to the following areas will receive points as follows:

Location of Discharge	Points
Ocean Beach(es)	0.9
Estuarine Beach(es)	0.7
Restricted Shellfish Growing Waters	0.5

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Seasonal Shellfish Growing Waters	0.3
Approved Shellfish Growing Waters	0.1

4. Applications which include other stormwater outfall discharges and applications with discharges of equal priority will be prioritized based on the average bacteria level of the discharge(s) at the stormwater outfall(s). Applications which address outfalls with higher average bacteria levels will receive priority over those applications with lower average bacteria levels.

(e) Second-round planning or design applications which address stormwater outfall discharges in more than one of the above categories will be assigned the sum total of the points which they are due based on the categories of discharge included in the application.

7:22A-7.6 State and Federal funding

Affected municipalities which receive second-round grants from the Interconnection/Cross-connection Abatement Account shall be ineligible to receive financial assistance for the same work (planning or design) within the scope of the project in the form of a Federal grant, State Matching Funds pursuant to N.J.A.C. 7:22-2, a New Jersey Wastewater Treatment Fund or New Jersey Wastewater Treatment Trust loan pursuant to N.J.A.C. 7:22-3 and 4, or a Pinelands Infrastructure Trust grant or loan pursuant to N.J.A.C. 7:22-6. Further, those affected municipalities which receive financial assistance in the form of a Federal grant, State Matching Funds pursuant to N.J.A.C. 7:22-2, a New Jersey Wastewater Treatment Fund or New Jersey Wastewater Treatment Trust loan pursuant to N.J.A.C. 7:22-3 and 4, or a Pinelands Infrastructure Trust grant or loan pursuant to N.J.A.C. 7:22-6 shall be ineligible to receive second-round grant moneys for the same work (planning or design) within the scope of the project pursuant to this subchapter. Notwithstanding the provisions of N.J.A.C. 7:22-3, 4 and 5, projects which do not receive a second-round grant pursuant to this subchapter will be eligible to receive a planning and design allowance pursuant to N.J.A.C. 7:22-5 or 7:22-7, less the amount of their initial planning grant.

7:22A-7.7 Pre-application procedures

(a) Affected municipalities are urged to be familiar with the requirements of this subchapter and to contact the Department prior to the initiation of the planning process so that their projects are in a position to proceed in a timely manner.

(b) The Department requires a pre-application conference with potential applicants prior to submission of a formal application for Interconnection/Cross-Connection Abatement Account moneys. During the conference, the Department shall identify and explain all application documents. This conference is not part of the application procedures and verbal statements made during the conference shall not bind the Department.

7:22A-7.8 Application procedures

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(a) Initial planning grant applications and second-round planning grant applications must be submitted in conformance with the schedule in N.J.A.C. 7:22A-7.4(b) and 7.5(b), respectively. Affected municipalities shall be notified of future second-round planning or design grant application deadlines through the Department's proposed Priority System, Intended Use Plan, and Project Priority List or through mailed notice by the Department. All applications must include full and complete documentation and any supplementary materials that the Department requires an applicant to furnish.

(b) Second-round planning or design grant applications will be prioritized by the Department in accordance with the criteria set forth at N.J.A.C. 7:22A-7.5. The award of second-round grants from the Interconnection/Cross-Connection Abatement Account will be based on the application's priority relative to other applications and the amount of available funds.

(c) Submissions which do not substantially comply with this subchapter or which are deemed incomplete shall not be processed further. Such applicants will be notified in a timely fashion as to the extent of deficiencies in their submissions.

(d) Processing of an Interconnection/Cross-Connection Abatement Account application generally requires 60 calendar days after receipt of a complete application by the Department.

(e) The following shall be submitted when applying for an initial or second-round grant from the Interconnection/Cross-Connection Abatement Account for the planning of interconnection/cross-connection abatement facilities.

1. An application for an Interconnection/Cross-Connection Abatement Account grant for planning activities. Each application constitutes an agreement to accept the requirements of this subchapter;

2. A resolution passed by the affected municipality authorizing the filing of an application for Interconnection/Cross-Connection Abatement Account moneys and specifying the individual authorized to sign the application on behalf of the affected municipality. If two or more affected municipalities are involved in the project, a resolution is required from each, indicating the lead applicant and the authorized representative;

3. Assurance of compliance with the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and the New Jersey Law Against Discrimination (N.J.S.A. 10:5-1 et seq.) (CGA Form LP-5);

4. The final map and the additional information developed under N.J.A.C. 7:22A-4.3 which identifies specific interconnections or cross-connections. In the case of an initial planning grant application, the final map and the additional information may be limited to the area or section of the municipality in which an interconnection/cross-connection

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abatement need has been identified;

5. A plan of study presenting:

i. The proposed planning area;

ii. An identification of the entity or entities that will be conducting the planning;

iii. The nature and scope of the planning of the proposed project as well as a schedule for the completion of identified tasks, including those tasks necessary to adequately assess the environmental impacts of the alternatives and the selected plan and the schedule for a proposed public participation program as set forth at the Environmental Assessment Requirements for State Assisted Wastewater Treatment Facilities (N.J.A.C. 7:22-10); and

iv. A description of the anticipated construction required for abatement and an estimate of construction costs (including an estimate of anticipated designs costs);

6. Comments or approvals of relevant State, local and Federal agencies;

7. Draft engineering agreement(s) and related cost documentation associated with specific planning activities. Note that the affected municipality shall be required to execute the approved engineering subagreements prior to or concurrently with the award of an Interconnection/Cross-Connection Abatement Account grant for planning activities;

8. Adequate information to ensure compliance with the regulations entitled Awarding Contracts for State Assisted Projects to Small Business Concerns Owned and Controlled by Socially and Economically Disadvantaged Individuals (N.J.A.C. 7:22-9);

9. Proposed intermunicipal or other agreements necessary for the construction and operation of the proposed facilities, if applicable;

10. A schedule for initiation and completion of the planning, design, and building of the project, including milestones; and

11. Certification from the affected municipality that at least 10 percent of the planning costs for the project must be provided by the affected municipality.

(f) In order to qualify for a design grant, evidence of planning documentation approval (including evidence of compliance with appropriate Water Quality Management Plans and the Environmental Assessment Requirements for State Assisted Wastewater Treatment Facilities (N.J.A.C. 7:22-10)) must be provided. All project design work must be in conformance with the approved project planning work. Any variations shall be specifically addressed by the recipient and approved by the Department before the project design will be considered complete. The following information must be submitted when applying for an Interconnection/Cross-Connection Abatement Account grant for the design of interconnection/cross-connection abatement facilities:

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1. An application for an Interconnection/Cross-Connection Abatement Account grant for design activities. Each application constitutes an agreement to accept the requirements of this subchapter;
2. A resolution passed by the affected municipality authorizing the filing of an application for Interconnection/Cross-Connection Abatement Account moneys and specifying the individual authorized to sign the application on behalf of the affected municipality. If two or more affected municipalities are involved in the project, a resolution is required from each, indicating the lead applicant and the authorized representative;
3. Assurance of compliance with the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and the New Jersey Law Against Discrimination (N.J.S.A. 10:5-1 et seq.) (CGA Form LP-5);
4. A plan of study presenting:
 - i. The proposed project area;
 - ii. An identification of the entity or entities that will design the project;
 - iii. The nature and scope of the design of the proposed project as well as a schedule for the completion of identified tasks; and
 - iv. A description of the estimated building costs for the project;
5. Comments or approvals of relevant State, local and federal agencies;
6. Draft engineering agreement(s) and related cost documentation associated with specific design activities. Note that the affected municipality shall be required to execute the approved engineering subagreements prior to or concurrently with the award of an Interconnection/Cross-Connection Abatement Account grant for design activities;
7. Adequate information to ensure compliance with the regulations entitled Awarding Contracts for State Assisted Projects to Small Business Concerns Owned and Controlled by Socially and Economically Disadvantaged Individuals (N.J.A.C. 7:22-9);
8. Proposed intermunicipal or other agreements necessary for the construction and operation of the proposed facilities, if applicable;
9. A schedule for initiation and completion of the construction of the project including milestones; and
10. Certification from the affected municipality that at least 10 percent of the design costs for the project must be provided by the affected municipality.

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(g) All mapping related submittals must be made in a format compatible with the Department's geographical information system (GIS).

7:22A-7.9 Evaluation of application

(a) Each application shall be subject to:

1. Preliminary administrative review to determine the completeness of the application. The applicant will be notified of the completeness or deficiency of the application;
2. Technical and scientific evaluation to determine the merit and relevance of the project to the Department's objectives and the objectives of the Act;
3. Budget evaluation to determine whether proposed project costs are reasonable, applicable, and allowable; and
4. Final administrative evaluation.

(b) Upon the completion of a full review and evaluation of each application, the Department will either certify the project for funding or defer the project application and notify the applicant of such action. As a result of a project deferral action, the next highest ranked project may fall within the fundable range.

7:22A-7.10 Supplemental information

At any stage during the evaluation process, the Department may require supplemental documents or information necessary to complete its full review of the application. The Department may suspend its evaluation until such additional information or documents have been received.

7:22A-7.11 Interconnection/Cross-Connection Abatement Account disbursements

(a) For initial planning grants and second-round planning or design grants, disbursements shall be limited as follows:

1. Disbursements for allowable planning costs shall not exceed 50 percent of the grant amount prior to the submission of complete planning documentation;
2. Disbursements for allowable planning costs shall not exceed 75 percent of the grant amount prior to the issuance of an environmental assessment in accordance with N.J.A.C. 7:22-10;
3. Disbursements for allowable design costs shall not be made until all planning requirements have been completed to the Department's satisfaction;

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4. Disbursements for allowable design costs shall not exceed 50 percent of the allowable design costs prior to the submittal of plans, specifications, contract documents and an engineer's technical design report for the project; and

5. Disbursement for allowable design costs shall not exceed 75 percent of the allowable design costs prior to receiving approval of the contract documents for the building of the project from the Department.

7:22A-7.12 Project initiation

(a) The recipient shall expeditiously initiate and complete the project in accordance with the project schedule contained in the grant agreement. Failure to promptly initiate and complete a project may result in the imposition of sanctions included in this chapter.

(b) The recipient shall not award any subagreement(s) for planning or design of the project until authorization to award has been given by the Department.

7:22A-7.13 Allowable project costs

(a) Project costs shall be determined to be allowable to the extent permitted by this chapter and the grant agreement. Allowable project costs may include:

1. The costs of subagreements for planning or design of the project; and
2. The costs for establishing or using small, minority, and women's business liaison services.

(b) Notwithstanding (a) above, unallowable project costs shall include, but not be limited to:

1. The costs of subagreements for which authorization to award from the Department was not received in advance of the award of the subagreement for planning or design services;
2. The costs for work that the Department determines is not in compliance with the approved scope of work for the project identified in the grant agreement; and
3. The costs for work not in compliance with the applicable provisions of N.J.A.C. 7:22A-1, 2 and this subchapter or approved subagreements.

7:22A-7.14 Force account work

(a) A recipient shall not use force account work for activities related to the scope of work for which the grant was awarded where costs will exceed \$25,000 unless the recipient has received the Department's prior written approval therefor.

(b) The recipient shall demonstrate to the Department's satisfaction that:

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1. The work can be accomplished cost effectively by the use of force account; or
2. Emergency circumstances necessitate its use.

7:22A-7.15 Value engineering

(a) The recipient shall conduct value engineering for the project if the total estimated building cost exceeds \$10 million or such amount as established in the Federal Water Pollution Control Act, 33 U.S.C. 1251 et seq. and any amendatory or supplementary acts thereto, whichever is greater.

(b) The value engineering recommendations shall be implemented to the maximum extent feasible.